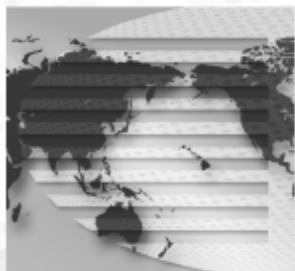




## Asia-Pacific Center for Security Studies



**SPECIAL ASSESSMENT**

FEBRUARY 2005

# The Asia-Pacific and the United States 2004–2005

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# Japan and the United States 2004–2005: Going Global?

DAVID FOUSE

## KEY FINDINGS

- 2004 proved to be an exceptional year for U.S.-Japan security cooperation. The alliance was strengthened by a number of legislative changes in Japan allowing the Self Defense Force (SDF) to work more closely with the U.S. military in providing logistical support in the event of a regional contingency. Japan also moved forward with plans to develop a ballistic missile defense system.
- Japan also followed through on its commitment to deploy 600 members of the Ground Self Defense Force (GSDF) to Iraq in support of reconstruction and humanitarian aid. Despite domestic controversy and the withdrawal of other coalition partners from Iraq, Japanese public support for the GSDF mission increased over the year to the extent that Prime Minister Koizumi was able to extend the deployment beyond its initial one-year limit.
- Regional security considerations were a major driver of Japan's decision to strengthen the alliance and move forward with its own defense transformation in 2004. Coordination between the U.S. and Japan on the North Korean nuclear standoff proved relatively strong, while Chinese naval activity in the East China Sea was a catalyst for stronger U.S.-Japan security cooperation.
- The crash of a U.S. military helicopter in the city of Ginowan in August reignited issues related to the U.S.-Japan Status of Forces Agreement (SOFA) and the disposition of U.S. military bases in Okinawa. The crash also heightened sensitivity to negotiations on the realignment of U.S. bases in Japan, which had stalled out of Japanese concern that the reorganization of U.S. Army command to Camp Zama would exceed the authority of the original bilateral security treaty.
- Despite the obvious gains made in security cooperation in 2004, issues such as Japan's participation in an exclusive East Asian Community will have to be handled gingerly in 2005 if the alliance is to continue to strengthen. The Japanese government will continue to face resistance both internally and externally to expanding its role in international security affairs.

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## INTRODUCTION

In many respects 2004 proved to be an unprecedented year for security cooperation between Japan and the United States. It was a year that began with high expectations following the Japanese government's decision to dispatch troops to Iraq, purchase U.S. missile defense technology and pass key legislation that will improve Japan's capacity to provide logistical support to the U.S. military in case of a contingency in the region. Security cooperation on such a broad scale led some analysts to suggest that the U.S.-Japan alliance had "gone global" in 2004. Yet mixed within the obvious gains made in the security relationship during 2004 were signs that many in Japan continue to be wary of a radical transformation of the alliance and Japan's international security role.

While it is clear that tensions with China and North Korea are pushing Japan to strengthen the alliance, it is also true that a perception of U.S. unilateralism has caused some within Japan to favor a more independent foreign policy. Japanese policy analysts, who once touted Japan's "economic diplomacy," have also shown a growing appreciation for the role of military power as an element of an effective diplomatic strategy. Thus, with competition for influence in Asia heating up, Japan is looking to play a greater role in regional security cooperation, despite the limitations currently imposed by its postwar constitution.

For 2005, the most probable scenario is that Japan will continue to strengthen its alliance with the United States, while simultaneously attempting to stake out more independent terrain in international and regional affairs. In order to accommodate this process Japan will look to resolve issues related to collective self-defense and Article 9 of its Constitution, which renounces war. The pace at which these issues are confronted will most likely be connected to Japan's relations with China and North Korea. In the event that these relations become further strained, Japan's military normalization could be significantly expedited. In any event, as the United States moves to consolidate its new strategic vision for Northeast Asia, it will increasingly be confronted with an ally that is not only more militarily capable, but also more deliberate regarding its own national interests.

## SDF TO IRAQ

After a heated national debate in late 2003, the Japanese government dispatched some 600 members of the GSDF to Iraq in early 2004 with the stated purpose of contributing to the postwar reconstruction of the country and providing humanitarian assistance to the Iraqi people. Although opinion polls in 2003 had shown that anywhere from 60 to 80 percent of the Japanese public did not support the U.S.-led invasion of Iraq, Prime Minister Koizumi made the controversial decision to dispatch the SDF overseas for the first time ever without a U.N. peacekeeping mandate.

While Japan-watchers speculated about the potential repercussions that Japanese troop casualties in Iraq might have for the Koizumi administration and the U.S.-Japan alliance, public opinion inside Japan gradually shifted toward greater support for the Iraq deployment. Despite their condemnation of the U.S. invasion, many young Japanese demonstrated support for the GSDF troops after they arrived in Samawah. The 41-year-

old leader of the Japanese advance team, Col. Masahisa Sato, even became something of a heartthrob among young Japanese women.

Threats by al-Qaeda terrorists aimed at cowing the Japanese public did more to raise the public's concern about the threat of international terrorism than to deter support for the GSDF deployment in Iraq. In April, public reaction to the release of three Japanese civilians taken hostage in Iraq demonstrated that national pride had begun to supplant earlier misgivings about the invasion. Somewhat surprisingly, public anger over the incident largely centered on the three young hostages, who after their release were castigated in the media for causing government officials unnecessary trouble due to their irresponsible travel into dangerous territory.

Increasing public support for the reconstruction effort made it easier for the Koizumi administration to maintain the GSDF deployment following the turnover of sovereignty to the new Iraqi government on June 28 and the beheading of hostage Shosei Koda in October. Needless to say, all of this has been welcomed in Washington, which lost the support of a number of coalition allies over the course of 2004.

## REGIONAL SECURITY ISSUES

**R**egional security considerations were a driving force behind Japan's defense transformation in 2004. With the North Korean nuclear crisis in the background, laws were passed in early 2004 that will enable Japan's Self Defense Force (SDF) to react more quickly and effectively in the event of a military contingency in the region. In April, a new Acquisition and Cross Servicing Agreement (ACSA) was signed that will allow Japan to transport ammunition along with other logistical supplies to U.S. military forces in the event of a contingency in the region. The threat of a North Korean missile strike, amplified by the ongoing nuclear weapons crisis, also helped to insure that funds for procuring American-made missile defense technology were included in this year's annual budget despite tight economic constraints.

On the whole, security cooperation between the U.S. and Japan on North Korea remained strong in 2004. Coordination on North Korea was maintained both through bilateral meetings and the Trilateral Coordination and Oversight Group (TCOG), which includes South Korea. In this manner the United States and Japan were able to present a united front during the six-party talks, although some areas of divergence could be observed. Clearly the Japanese officials, while very concerned with the nuclear issue at the center of the talks, placed greater emphasis on resolving the issue of Japanese citizens abducted by North Korean agents during the 1970s and 1980s. Japanese negotiators were also reported to have been a little more amenable to an incremental solution to the nuclear crisis than their American counterparts in early rounds of the talks, though Japan fully endorses CVID (complete, verifiable and irreversible dismantlement of North Korean nuclear weapons production) as the goal of the talks.

Prime Minister Koizumi's second visit to Pyongyang, in May, demonstrated the urgency that the abduction issue has taken on for the Japanese as well as Japan's desire to be perceived as an autonomous actor in regional affairs. While the U.S. formally supported his visit, some reports indicated that Washington was not pleased with this

bilateral effort. The U.S. and Japan were able to finesse the sensitive issue of returning U.S. Korean War deserter Charles Robert Jenkins to his family (his wife Hitomi Soga had returned to Japan from North Korea following Koizumi's first visit to Pyongyang in September 2002) in Japan after Jenkins turned himself in to U.S. authorities in Tokyo. Prime Minister Koizumi also received some credit in the domestic media for helping to modify the U.S. stance toward North Korea, purportedly convincing President George Bush to offer limited incentives to North Korea at their working level lunch at Sea Island prior to the G8 summit in June.

While Japan suffered through lengthy negotiations with the North Koreans over the abductee issue in 2004, the deteriorating Sino-Japanese relationship drew greater concern as the year wore on. Tension between Asia's two great powers has been growing for several years, fueled by Prime Minister Koizumi's annual visits to the Yasukuni shrine and a series of encroachments by Chinese survey vessels into territorial waters claimed by Japan. The year 2004 began with Prime Minister Koizumi visiting the controversial shrine and heated up further as Chinese nationalists landed on the disputed Diaoyutai/Senkaku Islands in late March. Tensions were diffused quickly in this instance, however, as Japanese authorities arrested the activists but quickly returned them to China without forcing them to stand trial in Japan. Japanese confidence in the alliance was bolstered during the episode when Deputy Secretary of State Richard Armitage indicated that any attack on Japan or its administrative territories (such as the Senkaku Islands) would be interpreted as an attack on the U.S. itself.

Thus far the United States has not taken a position on a related territorial dispute over the delineation of the respective Exclusive Economic Zones (EEZ) of Japan and China in the East China Sea. The issue has grown increasingly volatile due to China's decision to move forward with the development of the Chunxiao underwater natural gas field that lies within the disputed territory. Working-level talks between China and Japan in late October went nowhere after the Chinese refused to provide Japan with exact locations, depths and other related data of its offshore drilling sites. Increased activity of the Chinese navy in the disputed area, highlighted by the incursion of a Chinese submarine into Japanese territorial waters in November, has led to calls for stronger bilateral security cooperation between the U.S. (which reportedly tracked the submarine initially) and Japan.

Tensions with neighbors North Korea and China helped fuel a revision of Japan's National Defense Program Outline (NDPO) in 2004. The new NDPO, which was released in December, emphasizes Japan's need to deal effectively with ballistic missile and guerrilla attacks (both of which are perceived to be threats from North Korea), along with maintaining the ability to respond to invasions of Japanese islands and intrusions into Japan's airspace and territorial waters (concerns that can be linked to China). The report bluntly describes North Korea as a "destabilizing factor to regional security and a serious challenge to the international efforts for non-proliferation" while indicating that China's military modernization and expanded areas of operation provide incentive for Japan to "remain attentive to its [China's] future course." Although Japanese officials responded to Chinese criticism of the new NDPO by stating that it does not identify China as a "threat," this is the first time a Japanese defense policy document has specifically named any particular country as a security concern. In contrast, the new NDPO maintains that U.S.-Japan security arrangements "are indispensable for Japan's security."

## BILATERAL ISSUES

### Trade

Two issues of contention in U.S.-Japan trade relations in 2004 were apples and beef. In July, the U.S. asked the WTO to review Japan's revised measures for importation of U.S. apples. The U.S. is seeking permission from the WTO to impose trade sanctions against Japan totaling \$143.4 million for damages incurred due to Japan's restrictions on U.S. apple imports. A more high-profile issue was the Japanese ban on American beef products that had been issued soon after a sole case of bovine spongiform encephalopathy (BSE), or mad cow disease, was discovered in December of 2003. At the time, Japan was the most lucrative overseas market for American beef, with sales estimated at over \$1.7 billion in 2003. The infected cow was later found to have been imported from Canada before that country adopted cattle-feed composition restrictions similar to those already used in the United States. In October 2004 Japan tentatively agreed to resume imports of U.S. beef from cows younger than 21 months old, but the agreement stalled over how to authenticate the age of the cattle.

In 2004 Japanese automakers' share of new car sales in the U.S. rose above 30 percent for the first time, leading General Motors Corp. Chairman Richard Wagoner to join a growing chorus of U.S. exporters who believe the Japanese currency should strengthen. Wagoner believes the exchange rate to the dollar should stand at about 90 yen. On November 20, however, President Bush reassured Prime Minister Koizumi of his commitment to a strong dollar policy. The Bush administration has continued to emphasize the importance of Koizumi's structural reform efforts, rather than politicize any particular trade issue. In line with this strategy the USTR presented a lengthy list of recommendations for regulatory and economic structural reform to the Japanese government on October 14.

### Reconfiguring the Alliance

While security cooperation on Iraq and North Korea proved relatively strong in 2004, a number of bilateral issues surfaced during the year that demonstrated the incomplete nature of the alliance review process that began in the mid-1990s following the end of the Cold War. As the U.S. began to unfold its program for realigning its force posture across the globe in order to cope with a changing security environment, nagging issues related to the U.S.-Japan Status of Forces Agreement (SOFA) and the disposition of U.S. military bases in Japan demonstrated that the alliance still had work to do in terms of achieving the overall strategic cohesion that was hoped for when the revised Guidelines for U.S.-Japan Defense Cooperation were announced in 1997.

Progress appeared to have been made during negotiations in April, when Japan and the U.S. agreed to revise the SOFA after nine months of difficult negotiations. In the new agreement U.S. military personnel who are suspected of a crime are to be handed over to the Japanese police for questioning. Previously, only those members of the U.S. military who had already been charged with serious offenses were to be handed over. The SOFA issue reemerged in August after a U.S. military helicopter based at the Marine Corps Air Station Futenma crashed at the Okinawa International University in the city of Ginowan. The U.S. military was widely criticized by the Japanese media for its decision not to allow

the local Japanese police force to take part in the investigation of the crash, which luckily did not injure anyone at the university. The incident not only raised new calls for SOFA revision, but also reignited controversy over the status of the Futenma airbase, which according to the bilateral Special Action Committee on Okinawa (SACO) agreement of 1996 was supposed to have been relocated within seven years out of concern that just such an incident might occur. The timing of the helicopter crash was especially bad for negotiations on the realignment of U.S. military bases in Japan that were taking place in accordance with the U.S. global posture review. Public anger over the incident put increased pressure on the Japanese government to reduce the burden of U.S. bases in Okinawa and raised tensions in other localities targeted for new deployments. Many of the local governments involved in the realignment had already voiced objections to such moves, and the helicopter crash only served to strengthen their resolve.

The controversy also played into the hands of a faction within the Japanese Ministry of Foreign Affairs (MOFA), which reportedly had been stonewalling realignment negotiations, held in July. Japanese media reports indicated that the ministry had opposed the transfer of U.S. army 1st Corps from the state of Washington to Camp Zama in Kanagawa prefecture on the grounds that the reorganization of U.S. Army command inside Japan would move security cooperation beyond the scope of the original security treaty, which deals only with the defense of Japan and its surrounding areas.

## IMPLICATIONS FOR 2005

A major concern of U.S.-Japan alliance managers in 2005 will be to move talks on the realignment of U.S. military bases in Japan forward. Recent activity inside Japan, including the replacement of MOFA Vice Minister Yukio Takeuchi, suggests that progress in the realignment talks will be made when the heads of the ministries of state and defense of both countries come together in annual “two plus two” meetings early in 2005. Talks will reportedly focus on the establishment of common strategic targets; role-sharing between U.S. and Japanese forces; and the realignment of U.S. troops and bases in Japan. If these talks go well, Tokyo and Washington are planning to compile a new U.S.-Japan Joint Declaration on Security Cooperation that will clarify the significance of U.S. troop realignments this summer.

Sources inside the Japanese government have indicated that the new declaration will cover the enhancement of U.S.-Japan cooperation to better protect the global security environment against new threats, including international terrorism and the proliferation of weapons of mass destruction. The roles of Japanese and U.S. forces in dealing with emergencies in areas surrounding Japan will also be reviewed to reflect the growing strength of China. Following the new declaration, the Guidelines for U.S.-Japan Defense Cooperation will also be revised. The new guidelines will reportedly focus on the enhancement of transport cooperation between the SDF and U.S. military; joint use of U.S. and Japanese military bases in Japan; and the provision of sea and air ports for U.S. military forces. In addition to developing a ballistic missile defense system and enhancing

capabilities to protect island territories, the new Japanese NDPO announced in December indicates that Japan intends to continue expanding its role in international security affairs. Just prior to releasing that document the Japanese government extended the deployment of the GSDF in Iraq beyond its initial one-year limit, suggesting that December 2005 would be an appropriate time for their withdrawal.

In order to carry out the vision of change pictured in the new NDPO, advocates inside the government will have to contend with longstanding politically sensitive issues related to Article 9 of the Constitution and the government's own prohibition regarding Japan's participation in acts of collective self-defense. While recent elections have severely weakened forces on the left opposed to this transformation of Japan's defense policy, the introduction of such sweeping change is likely to face continued resistance without the threat of an immediate attack on Japanese territory. One indication of this came during consultations on the new NDPO, which initially included the development of surface-to-surface precision guided missiles (range 300 km) as a means of preempting a ballistic missile attack aimed at Japan. Komeito, the junior coalition partner of the dominant Liberal Democratic Party (LDP), reportedly balked at the introduction of this type of offensive weaponry and demanded its removal from the final version of the document. The LDP has grown increasingly dependent upon Komeito support in recent electoral campaigns and will have to avoid alienating its putatively dovish constituency if it desires to remain in power.

The Japanese Defense Agency, which hopes to be upgraded to a full ministry this year, may also face continuing pressure from the Ministry of Finance, which refuses to increase the overall defense budget despite escalating costs in areas such as missile defense. Perhaps the greatest struggle to be waged in 2005 with regard to Japan's security policy transformation will be fought between defense advocates and Japan's influential business community, which is hesitant to see burgeoning economic relations between Japan and China jeopardized by gestures perceived to be hostile by parties on the Asian mainland. The dynamic growth of the Chinese economy fueled a recovery in Japan and other Asian nations in 2004, and momentum behind regional economic integration in Asia accelerated considerably. China's continued economic success also fueled speculation that Japan is losing influence in Southeast Asia to the Chinese, making Sino-Japanese economic competition in the region a focal issue of regional affairs. Japan's all-out response to the Tsunami disaster in Southern Asia in December was at least in part an attempt to reassert Japanese influence in the region.

Japan will be hard pressed to achieve a leadership role in Asia without reaching some accommodation with China that allows the development of an East Asian Community to move forward. It remains to be seen, however, how Japan will be able to manage security cooperation with the U.S. while supporting the formation of an East Asian Community that at present excludes its alliance partner. U.S. officials have already indicated their disdain for "exclusive" regional arrangements. The U.S. will therefore need to demonstrate strong support for Japan's international agenda, including Japan's hopes of obtaining a permanent seat on the U.N. Security Council, in order to convince Japanese critics that the alliance continues to serve Japanese national interests.



The views expressed in this publication are those of the author(s) and do not necessarily reflect the official policy or position of APCSS, U.S. Pacific Command, the U.S. Department of Defense, or the U.S. Government.

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